

Government of the District of Columbia
Office of the Chief Financial Officer




Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer

DATE: June 23, 2016 

SUBJECT: Fiscal Impact Statement - Safe at Home Act of 2016

REFERENCE: Bill 21-316, Draft Committee Print sent to the Office of Revenue
Analysis on June 21, 2016

Conclusion

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill will cost about \$3.6 million in fiscal year 2017 and about \$14.8 million over the four-year budget and financial plan.

The implementation of the bill is subject to its inclusion in an approved budget and financial plan.

Background

The bill establishes the Home Accessibility Modification Grant Program, which will provide grants of up to \$10,000 to residents who need to modify their homes to accommodate aging or disability. Acceptable modifications include installing doors suitable for a person in a wheelchair, installing grab bars, and creating accessible kitchens and bathrooms.

To be eligible for the program, a resident must be 60 years or older or have a disability;¹ live in their home more than 50 percent of the calendar year; meet income requirements set by the Mayor; and be current on District taxes. Residents who are already receiving assistance through the Senior Citizens' Home Repair and Improvement Program are not eligible for the grants.

¹ As defined by Disability Rights Protection Act of 2006, effective March 8, 2007 (D.C. Law 16-239; D.C. Official Code § 2-1431.01(4)).

Financial Plan Impact

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill will cost about \$3.6 million in fiscal year 2017 and about \$14.8 million over the four-year budget and financial plan.

In January 2016 the D.C. Office on Aging (DCOA) started the Safe at Home program, which fulfills the requirements of the bill. DCOA expects monthly expenditures for the program to reach, by July 2016, almost \$225,000 for building materials and labor and \$70,000 for occupational therapists and administrative staff plus overhead costs. DCOA also expects to hire an in-house program manager in fiscal year 2017, which will cost around \$100,000 per year.

If DCOA continues to enroll people in the program at the pace it is now, we project that in fiscal year 2017 it will cost around \$3.6 million to meet the requirements of the bill. These costs will grow slightly each year from inflation to about \$3.8 million in fiscal year 2020. The cost of building materials and labor under the bill will be slightly less than that of DCOA's Safe at Home program since 6 percent of residents in the Safe at Home program receive grants over \$10,000 (that are, on average, about \$12,000).

Cost of Implementing Bill 21-316, FY 2017 through FY 2020					
	FY 2017	FY 2018	FY 2019	FY 2020	Four-Year Total
Materials and labor ¹	\$2,586,998	\$2,651,672	\$2,717,964	\$2,785,913	\$10,742,548
Personnel and administration ²	\$987,512	\$1,012,199	\$1,037,504	\$1,063,442	\$4,100,658
TOTAL COST	\$3,574,509	\$3,663,872	\$3,755,469	\$3,849,355	\$14,843,205

¹ Based on DCOA's projected expenditures for the Safe at Home program from July through September 2016.

Assumes costs increase by 2.5 percent a year.

² Includes five contractors (occupational therapists and administrative staff) and one program manager in DCOA plus an 8 percent overhead fee for the contractor. Assumes costs increase 2.5 percent a year.

In fiscal year 2016, the Department of Housing and Community Development gave \$1 million to DCOA via a memorandum of understanding (MOU) to start the Safe at Home Program. No MOU has been signed between DHCD and DCOA for fiscal year 2017. Funding beyond fiscal year 2017 is uncertain.